

September 18, 2009

Maine Milk Commission Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the September 18, 2009 meeting were distributed to Commission members, intervenors and other interested parties August 21, 2009 and sent to the Secretary of State's Office for posting on August 24, 2009.

**Commission Present:** Colon Durrell, Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Chairman Michael Wiers

**Commission Absent:** None

**Department Officials:** None

**Staff Present:** Tim Drake, Executive Director, and Carol Gauthier, Office Associate

**Legal Counsel:** Amy Mills

**Intervenors Present:** John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Shelly Doak, Maine Grocers Association, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Julie-Marie Bickford, Executive Director of Maine Dairy Industry Association.

**Others Present:** Fred Hardy from MDIA; Chuck Farrand and David Doak, Dairy farmers, and Ruby Hardy, public attendee.

**Agenda Item 1: Minutes:** Richard Cook made a motion to accept the minutes of the August 21, 2009 meeting. Colon Durrell seconded. Motion passed 4-0.

**Agenda Item 2: Amy Mills, Assistant Attorney General:** Nothing to report.

**Agenda Item 3: Minimum Prices:**

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for October 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for October is \$15.60. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.58/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked if there were any comments or new information from the interveners.

Julie-Marie Bickford of MDIA noted that there were significant concerns within the farm community and that although the price of milk was coming up it was doing so slowly and the tier program was set to run out of money next month. Crops are also a concern due to the bad weather of early summer and some farms may decide to end milk production in the next few months without some hope.

Colon Durrell asked about what other New England states were talking about doing to help their farms and how that would affect Maine? Julie-Marie stated that the University of Vermont would pay a premium on milk through their system to go to the farms in Vermont and that there is some talk about a regional

approach to keeping local products in stores. Colon then asked if the tier program was running out of money sooner than expected and if this was because of lower than projected prices? Julie-Marie said that it was.

John Blake offered that because of the lower than expected Class I prices the handling fee was bringing in more than was projected. He also said that he believed that New York would institute a \$1 to \$2/cwt premium and then other states would follow their lead.

Chairman Weirs stated that he believed that this would level the playing field as far as what the Commission is doing here in Maine.

John Joseph asked if the handling fee was bringing more money than was being spent on the tier program.

Tim Drake answered that this was not the case but that the handling fee had collected \$300,000 more than was projected or about \$150,000 per month so far this fiscal year.

Julie-Marie noted that the total class I price would be \$22.63 with the new price of \$15.60/cwt for class I compared to \$23.07/cwt last month.

John Blake asked the commission to consider decreasing the producer margin this month.

Tom Brigham agreed under normal circumstances however he felt that in light of the farmers current plight that another month at the current producer margin of \$1.58/cwt would be acceptable.

John Joseph made a motion to accept order 10-09 as prepared with a producer margin of \$1.58/cwt. Mark Hedrich seconded this motion. The motion passed 4-0

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for September 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick. Prices surveys for July were provided by IAMCA.

**Agenda Item 5: Next Scheduled Meetings:**

- October 23, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- November 20, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- December 18, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- January 22, 2010, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Milk Promotions:** A milk promotion proposed by HP Hoods on behalf of Lactaid was reviewed. Tim drake informed the Commission members that the proposal had been reviewed by staff and had been deemed not within what was allowed by our statute.

Amy Mills noted that this was a brand specific coupon offer and that this was specifically not allowed.

John Blake stated that this would not be advertised and the consumer would not know about this until the sale was rung up at the cash register.

Chairman Weirs said that while the Commission would like to allow this type of promotion it was not allowed by statute.

**Agenda Item 7:** Executive Session: The Commission did not go into Executive Session.

**Adjourned:** Adjourned at 2:35 p.m. September 18, 2009.

Tim Drake, Maine Milk Commission